



## U.S. Senate Committee on Appropriations

**PRESS RELEASE**

For Immediate Release: July 8, 2009  
Contact: Durbin Press Office, 202.228.5244

### **DURBIN UNVEILS 2010 FINANCIAL SERVICES, GENERAL GOVERNMENT APPROPRIATIONS BILL**

#### ***Bill Includes Unprecedented Funding Increase to Curb White-Collar Crime***

[WASHINGTON, D.C.] – Assistant Senate Majority Leader Dick Durbin (D-IL), Chairman of the Senate Appropriations Subcommittee on Financial Services and General Government, today unveiled the subcommittee's appropriations package for fiscal year 2010. The bill covers \$46.4 billion in overall spending for a number of agencies within the Executive Branch; the Federal Courts; District of Columbia; and independent agencies including the nation's financial services regulators.

***“White-collar crooks like Bernard Madoff have defrauded families and charities out of millions of dollars. The SEC ignored whistle-blowers and failed to protect America’s savers and investors from a Ponzi scheme of historic proportions,” Durbin said. “With this bill, we provide the SEC with a budget increase of \$100 million - an unprecedented increase in resources - so they can hire the technical experts and bring on the best technology to catch these crooks. We will be watching the SEC carefully to make sure this money is well spent and the national embarrassment of Bernard Madoff is not repeated.”***

This year's bill continues to emphasize the need to increase the resources for America's financial regulatory agencies. In particular, the bill dramatically increases funding for our nation's leading market watchdogs: the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC).

#### **The Securities and Exchange Commission:**

The FY10 Financial Services and General Government appropriations bill gives SEC the necessary resources to effectively fulfill its singular obligation: protecting shareholders.

This agency is responsible for overseeing 11 national securities exchanges and more than 35,000 registrants including over 11,300 investment advisers; 8,000 mutual funds with \$9 trillion in assets; 5,500 broker dealers with more than 174,000 branch offices; 12,000 public companies; 600 transfer agencies; 10 credit rating agencies and 10 registered clearing agencies. It oversees approximately \$44 trillion worth of trading conducted annually on America's stock and option exchanges.

The Committee's proposed FY10 funding level of \$1.13 billion would represent an increase of \$100 million (9.7%) over FY10 budget request (\$1.02 billion) and \$156 million (16%) over the FY09 level (\$970 million). The additional resources would support the hiring of more than 200 new full time employees, supplement IT investments and expand training programs.

#### **The Commodity Futures Trading Commission:**

The CFTC's job is to ensure that the futures markets are equipped to provide a mechanism for price discovery and a means of offsetting price risks.

In the past decade, trading volume has increased more than ten-fold -- reaching well over 3.4 billion trades in 2008, and actively traded contracts have quintupled -- up from 286 in 1998 to 1,521 in 2008. CFTC oversees \$5 trillion of trades daily.

Adding to this challenge is a significantly transformed globalized, electronic, and round-the-clock marketplace. Further complicating the picture are transactions that the CFTC currently has no power to presently regulate -- the vast "shadow" world of over-the-counter derivatives -- like credit default swaps.

The Committee's proposed funding for the Commodity Futures Trading Commission of \$177 million would represent an increase of \$16.4 million (10%) over above the FY10 budget request of \$160.6 million and \$31 million (21%) above the FY09 enacted level of \$146 million.

This additional investment in the CFTC would support 53 additional full time employees, allow for a reorganization and modernization of the CFTC Market Oversight Program, more than double the number of number of economists exclusively focused on market surveillance, and Improve market oversight increasing the frequency of exchange review and audits.

***"I want to thank Senator Collins for her help in crafting this bill," Durbin said. "She has worked tirelessly to produce a truly responsible package. I look forward to continuing our work together."***

The appropriations bill includes funding for the following Departments and agencies:

#### **Department of Treasury:**

\$13.5 billion, an increase of \$607.5 million (or 4.7%) over the FY09 enacted level and an increase of \$113.4 million (0.8%) over the President's budget request.

- Internal Revenue Service (IRS): The bill designates \$12.15 billion for the IRS, \$549.8 million (or 5%) over the FY09 enacted level and \$26.4 million (or 0.2%) over the budget request. Most of the increase over the request is for the IRS's systems modernization.
  - IRS Enforcement: Of the IRS' \$12.15 billion, \$7.1 billion is designated for enforcement operations. This is considered the "fully funded" level and is \$386.7 million (7.5%) above the FY09 enacted level.
- Community Development Financial Institutions (CDFI) Fund: The bill provides \$166.8 million; an increase of \$59.6 million (56%) over the last year's enacted level. CDFI

grants support financial services to underserved communities, including lending and investment in affordable housing, small business, and community development.

### **Executive Office of the President:**

\$784.7 million, an increase of \$53.8 million (10%) over the FY09 enacted level.

- Office of National Drug Control Policy: The bill proposes \$472.2 million in funding for the office responsible for the policies, priorities, and objectives of the Nation's drug control programs. This is a 10.7% increase over FY09's enacted level.

### **Judiciary:**

\$6.9 billion, an increase of \$437.8 million (or 6.7%) over the FY09 level and \$106.8 million below the FY10 budget request.

### **The District of Columbia:**

\$727.4 million in Federal payments, a \$15 million (2%) decrease from the FY09 enacted level. That level, however, included a \$39 million federal payment to the District for the emergency planning and security costs associated with the recent Presidential Inauguration. The bill also approves the District's local budget of \$8.9 billion.

77% of the Federal payments to the District are for local courts, defender services, and pre-trial and post-conviction offender supervision, all of which are independent of the Mayor and local District government.

- **DC Voucher Program**: The bill provides \$13.2million for the voucher program, of which \$1 million may be used for program oversight and \$1 million to cover costs of administer the same tests to voucher and DC Public School (DCPS) students. The bill's funding allocations are identical to the President's FY10 funding request, with the exception of the funds added for the voucher testing.

The FY10 funding package continues the provisions adopted in last year's bill that no funds for vouchers may be used unless the school has a valid certificate of occupancy issued by the District and the core subject matter teachers of the students hold four-year bachelor's degrees.

Funds in this bill - covering students in the 2010-2011 school years - may only be used to provide vouchers for students already enrolled in the program. The bill further requires the Secretary of Education to evaluate and report the academic performance of voucher students using same test as DCPS.

### **Independent Agencies:**

- **Securities and Exchange Commission (SEC)**: Funding of \$1.13 billion is provided for the SEC in this year's bill. The proposal is \$100 million (9.7%) over the FY10 request and \$156 million (16%) over the FY09 enacted level. The increase supports additional staffing for oversight and enforcement of complex security products, credit markets and credit rating agencies.

- **Commodity Futures Trading Commission (CFTC):** The bill provides \$177 million, an increase of \$31 million (or 21%) over FY09's enacted level and \$16.4 million (10%) over the FY10 request. The increase supports staffing increases and IT enhancements for implementation of new mandates under the 2008 farm bill, more aggressive market oversight in energy arena, and enhancement of collection, transparency, and timeliness of trading data.
- **Consumer Product Safety Commission (CPSC):** The bill allocates \$115 million to the CPSC, an increase of \$9.6 million (9.1%) over last year's enacted level and \$8 million (7.4%) over the FY10 budget request. The additional funding is to be used to carry out the requirements of the *Consumer Product Safety Improvement Act* and to support the Commission's ongoing investigation of drywall products.
- **Small Business Administration.** The bill provides \$860.9 million, an increase of \$81.6 million over the FY10 budget request. The increase supports \$25 million for the Microloan program and \$114.4 million for Small Business Development Centers.

### **General Provisions:**

- **COLA:** The bill includes a 2.9% cost-of-living increase for federal employees, an increase over the President's requested 2.0% COLA for federal employees.
- **Competitive Sourcing:** The bill includes several provisions constraining the outsourcing of Federal jobs to contractors. These provisions continue a moratorium on new private-public job competitions for an additional year. It also requires agencies to submit annual inventories of activities performed pursuant to service contracts, and require reports on contracted work and workforce composition.

The subcommittee was allocated \$24.4 billion in discretionary budget authority in addition to \$22.0 billion in mandatory spending. This is a \$1.7 billion increase (7.5%) in discretionary funding over last year's level.

Durbin became the Chairman of the Financial Services and General Government Subcommittee at the beginning of the 110<sup>th</sup> Congress. Senator Susan Collins is the subcommittee's Ranking Member.